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WASHINGTON.

THE REIGN OF CORRUPTION. A REVELATION FROM CALIFORNIA THE NAVAL PAYMASTER'S OFFICE IN A BAD CONDI-

TION-FLIGHT OF PURCHASING CLERK PINNEY-\$200,000 MADE BY BLACKMAIL - \$800,000 FRAUDULENT CERTIFICATES SOLD,

[BY TELEGRAPH TO THE TRIBUNE.] WASHINGTON, Sept. 30 .- There is a good deal of apprehension at the Navy and Treasury Departments on account of the condition of affairs in the Navy Paymaster's office in San Francisco. For several years, in consequence of political influence reaching into the Senate of the United States, an adventurer named George M. Pinney has been retained in office, as Purchasing Clerk of the Navy in California. His held was so firm that the pay corps of the navy knew that none of their number could accept a detail to San Francisco without accepting Pinney as an office fixture. About the 1st of September he absconded in his own steamer with a female companion, leaving his family and a host of creditors. It seems that it had been his habit toldemand a percentage on everything he purchased, and the number of contractors and dealers he has levied upon is astonishing. It is estimated that he has thus made for himself, in reality out of the Government, about \$200,000. He was also a broker, a member of the Board, a director in several mines, a large property owner in the City of Oakland, and reputed to be worth nearly \$2,000,000.

Paymaster Spaulding, who was the officer in charge, is understood to have defended Pinney for a short time after he left. He has now been relieved and ordered to settle his accounts. His accounts have thus far been found to be correct, and no suspicion has rested on him. An investigation, however, was ordered by the Navy Department, and it is understood that certificates of indebtedness to the amount of \$800,000 have been discovered to have been hypothecated in San Francisco. These could only have been obtained by fraud. If a contractor or dealer, furnishing supplies to the paymaster, presents his accounts it is possible he may obtain a certificate of indebtedness, if, for any reason, the paymaster cannot or does not choose to pay at the time of delivery of the articles. The contractor may take these certificates to a banker, who, recognizing the paymaster's signature, advances the money on them. A paymaster, however, may not give certificates above his ability to pay in accordance with law, and as Praymaster Spaulding, during the past three quarters, has never made a balance of more than from \$3,000 to \$10,000, the apprehension is that the certificates were fraudulent, and perhaps

MR. DELANO'S "EXHAUSTING LABORS." HIS GREAT "FIDELITY TO DUTY"-A CURIOUS STA-TISTICIAN FINDS THAT HE HAS BEEN ABSENT FROM WASHINGTON 742 DAYS DURING HIS TERM OF FOUR YEARS AND TEN MONTHS-NEARLY \$17,000 PAID HIM DURING HIS ARSENCE. IBY TELEGRAPH TO THE TRIBUNE.

Washington, Sept. 30.—Secretary Delano, in his letter of resignation, after enumerating his public services under President Grant's Administration, says: "I allude to these matters briefly, to remind you of the exhausting labor which fidelity to my duties during the last six years and four months has demanded of me," etc. This little boast on the part of the ex-Secretary has caused a curious statistician to look into the subject and ascertain how great Mr. Delano's "fidelity to his duties" has been. The following table shows the number of days in each month that ex-Secretary Delano was absent from Washington from the date of his appointment, Nov. 1, 1870, to Sept. 30, 1875, the date when his resignation was

Months. 1870, 1871, 1872, 1873, 1874, 1875, Tot. January ... 3 13 Gr. tot.,. 28 130 181 148 150 105

years and ten months that Mr. Delano was Secretary of the Interior he was absent from his post two years and 12 days, or about 42 per cent of the whole time. The amount of salary paid to him during the time he was absent was \$16,933 33.

HAM'S ATTACK ON MR. BRISTOW. A PART OF THE STORY NOT BEFORE MADE PUBLIC-HAM'S FELLOWSHIP WITH A STONECUTTING RING-HIS CHARGES BENEATH NOTICE. [BY TELEGRAPH TO THE TRIBUNE.]

Washington, Sept. 30.—It has been reported that Chas. H. Ham, editorial writer on The Chicago Inter-Ocean, recently removed from his position as Appraiser at Chicago, has written an open letter to Secretary Bristow, threatening damaging exposures in regard to the New-York Custom-house, but no copy of it has yet been received here, and it is quite certain that Secretary Bristow will take no notice of it when it is. The Secretary will not return until next week, but from other sources it is ascertained that the probable cause of Ham's removal is very different from any that has yet been assigned. It is not believed that he was removed on account of his attacks on Gen. Bristow in The Inter-Ocean ; but the more probable story is that the attention of the Secretary was more particularly called to Ham by the verbal statements to him by members of the last Chicago Custom-house Commission. Those statements, in brief, were that the Government has been greatly imposed upon by a Ring, which has sought to enrich itself by the construction of the Custom-house building; that this is particularly true of the Ring for cutting the stone; that the Gov ernment has already paid the large sum of \$800,000 for cutting the stone; and that Ham had more intimate relations with the persons said to compose this Ring than was becoming in a Government officer, and was outspoken in public and private in its de-

FOREIGN BAGGAGE INSPECTION. THE OLD IDEA OF A SPECIAL BUILDING IN NEW-YORK REVIVED.

BY TELEGRAPH TO THE TRIBUNE. WASHINGTON, Sept. 30 .- During the stay of Sec retary Bristow in New-York this week, he improved the opportunity to observe the operation of the new regulations for the inspection of the baggage of passengers, who arrive on foreign steamers. The principal and only serious objection to these regulations is, that they sometimes cause a considerable detention of passengers at the steamship docks, where there are no provisions for their comfort; and this is often a real hardship, especially when ladies are required to wait in stormy weather at such places. To remove this objection, the Secretary has concluded to erect a suitable building to réceive passengers and their baggage, at the Battery, and to provide in it ample facilities for the necessary inspections, as well as comfortable waiting rooms for passengers who may be detained; and then to require all foreign steamers to land their passengers and baggage there. In order to carry out this plan at once, he has sent for Mr. Potter, Supervising Architect of the Treasury Department, who left Washington this noon to meet the Secretary in New-

THE PLEASURE TRIP OF TWO CLERKS. ACROSS THE COUNTRY AT GOVERNMENT EXPENSE

INT TELEGRAPH TO THE TRIBURE. Washington, Sept. 30 .- E. G. Church and T. H. Oakshott, clerks in the office of the Supervising Architect of the Treasury Department, were to leave Washington this afternoon for the Pacific Coast, to in-

spect the Go-ernment buildings in California and Oregon,

as there are no Government buildings on the Pacific Coast not completed, except some appraisers stores recently begun. The sending of these two men on what looks like a pleasure trip at Government expense, has caused considerable comment in other bureaus of the Treasury Department. If the Government buildings on the Pacific Coast need inspecting, there are no doubt numerous Treasury officials already there who can make the necessary examinations either in person or by the aid of local architects or engineers, whose services could Washington. During Mullett's administration, and when Boutwell and Richardson were Secretaries of the Treasury, it was customary to send out to California, every year, two or three favorite officials of the Department on the most flimsy pretense, and they sometimes made the journey by way of the Isthmus, in order to swell their mileage to a respectable sum. This, it was believed, had been discontinued under the new administration, but the journey of Church and Oakshott, unless they have some other business than that publicly announced, seem hardly necessary.

CURRENT TOPICS AT THE CAPITAL. DIVIDEND AT THE FREEDMEN'S BANK. WASHINGTON, Thursday, Sept. 30, 1875

Messrs. Creswell, Purvis, and Leipold, the Commissioners of the Freedmen's Savings and Trust Company, announce that they will begin paying a dividend of 30 per cent on all audited claims on the 1st of November next. All payments will be made at No. 1,507 Pennsylvania-ave., upon presentation of the pass-book, or satisfactory evidence of the Company's indebtedness. Depositors and other creditors, residing in and adjacent and those at a distance should forward their evidence of indebtedness through some responsible bank or banker, or by mail or express, with their full post-office address. A check for the amount will be returned without delay. Depositors at the Washington Branch will be paid by check on the Treasurer of the United States. Those at other branches by check on the Assistant Treasurer of the United States at New-York City, which are negotiable anywhere. All checks have been drawn to the order of the original deposition, and assignments will be recognized only so far as to deliver signments will be recognized only so far as to deliver the checks as originally drawn to the assignees. Creditors whose claims have not yet been audited, by reason of their failure to forward them, may suffer a clight delay, as no payment will be made except upon a careful examination. The Commissioners desire again to caution the creditors of the Company to hold on to their claims, and not to dispose of them at a sacrifice. Other dividends are sure to follow, and the Commissioners renew the assurances heretofore given, that everything shall be done to hasten the payment of dividends and the satisfactory adjustment of the Company's affairs.

A PALLEGAR TAX DECISION

A RAILROAD TAX DECISION.

The Commissioner of Internal Revenue has decided that under the set of July 14, 1870, railroad corporations are liable to 5 per cent tax instead of 212 per cent to Aug. 1, 1870, on the amount of all dividends, earnings, income, or gains which had accrued before that date, and also on all undivided profits carned by the company prior to that date and added to any surplus, centingent, or other fund. This question came up on an application made by the Illinois Central Railroad Com-

FOREIGN NEWS.

THE TURKISH CIVIL WAR

MINISTERIAL CRISIS IN SERVIA-REPRESENTATIONS MADE TO THE GOVERNMENT BY THE FOREIGN POWERS-THE TURKS DISPOSED TO BE AGGRES

The Austrian Consul-General at Belgrade has protested against an enactment which extends the time for payment of bills of exchange. A ministerial crisis has already begun at that capital. All the representatives of the Foreign Powers have demanded a cessation of the ambiguous policy of Servia. The proposed occupation of the Island of Little Redoubt is locked upon as an indication of Turkey's intention to force an issue with Servia. Paris, Thursday, Sept. 30, 1875.

Le Temps says nothing is known in diplomatic circles of the alleged circular addressed by Turkey to the Powers complaining of the repeated violations of neutrality by Montenegro, and declaring a conflict inevitable if they continue. Nor is there any knowledge of the intended occupation of a portion of Servia by the Turkish troops.

Vienna, Thursday, Sept. 30, 1875. The Tages Presse says the Diplomatic Agent of Servia has handed the foreign embassadors here a memorandum enumerating the Turkish violations of 742 Servian territory.

THE SPANISH MONARCHY. EX-PREMIER CANOVAS DE CASTILLO TRYING TO REGAIN POWER-HE FAVORS HARMONY WITH THE VATICAN AND FRIENDLY RELATIONS WITH

LONDON, Thursday, Sept. 30, 1875. A letter in The Times this morning from

Paris has the following:

An accredited opinion prevails in Madrid that Senor Canovas de Castillo is about to return to the Preiniceship. He is displaying marvelous activity in order to lead back a conciliation Cabinet. The reason of his refusal to reconstitute the Cabinet after winning a victory on the suffrage question was his engagement with the Vatican to restore the Concordat in return for the establishment of a Papal Nuncio at Madrid, whereby to offset Papal influences in favor of the Carlists by interposing a provisional and more liberal government. When the crisis with the Vatican threatened he expected to free Spain from the religious difficulty. This solved, he hopes to return with such moderates as consent to a convocation of the Cortes by universal suffrage, and to reconcile Germany, which was offended by his attitude on the religious question, by advocating the marriage question, he will have to oppose not only those who oppose German influence, but the King's family and its partisans, who favor the Montpensier alliance.

A band of 24 communists has appeared in Andalusia. Paris has the following:

A band of 24 communists has appeared in Andalusia. The Government has dispatched a body of troops thither

Madrid, Thursday, Sept. 30, 1875. Official dispatches report that the Republican bands, which had risen in the Sierra Morena, meeting with no support, have been obliged to disperse to avoid

In consequence of the movements of the Government troops the Carlists have been compelled to withdraw their artillery from the positions near San Sebastian to

CARDINAL MCCLOSKEY AT ROME. IMPRESSIVE CEREMONIAL AT HIS TITULAR CHURCH-MANY FOREIGNERS PRESENT - A RECEPTION

ROME, Thursday, Sept. 30, 1875. Cardinal McCloskey took possession of his title in the Church of Sancta Maria Supra Minervan at noon to-day. Many Italians and foreigners, especially Americans, witnessed the ceremony. Cardinal Mc-Closkey entered, accompanied by 37 Dominican fathers and several prelates. Approaching the altar, he pronounced a brief prayer, and seated himself in the Epis-copal chair. Monsignor Cataldi then read the bull couferring the title, and the General of the Dominicans delivered an address. Cardinal McCloskey replied, and closed with a prayer. A Te Deum was then sung. Afterward the Cardinal received the spectators in the hall attached to the church.

CUBAN NOTES.

SHARKEY GOING TO SPAIN-THE DECREE ON GOLD RE-ENACTED.

HAVANA, Sept. 30 .- Sharkey, the escaped aurderer, is going to Spain. The former decree fixing the current value of foreign

gold has been put in force again. THE LANDING OF THE URUGUAY'S CARGO DENIED. The Spanish Minister at Washington now in this city states that he has received a telegram from the Captain-General of Cuba stating that the Uruguay had not landed any men or military supplies in Cuba, notwithstanding the American journals have said so.

FOREIGN NOTES. Halifax, Sept. 30.—There was a terrific hail

storm here last night. London, Sept. 30.-Cable messages will be dellar a word after Monday next. TORONTO, Sept. 30 .- The Orangemen passed

resolutions denouncing religious processi-SOUTHAMPTON, Sept. 30 .- The steamer Donau left here yesterday with \$140,000 in gold for New-

MONTREAL; Sept. 30 .- The \$2,000 claim of the Canadian Institute against the Cemetery of St. SuiNEW-YORK, FRIDAY, OCTOBER 1, 1875.

pice, for the non-interment of Guibord's remains, has been dismissed. MONTREAL, Sept. 30 .- Geo. J. Hubbard, optician, has fled to England, leaving large debts behind.

An attachment has been issued against Zacharia Auer-bach, wholesale jeweler, at the instance of an English

MONTREAL, Sept. 30 .- At the Young Men's Christian Associations Convention, Henry Fry, President of the Quebec Association, condemned prohibition laws. He advocates social reform and individual efforts to stay intemperance. His remarks created surprise.

LONDON, Sept. 30 .- The Globe this evening savs there is no intention of immediately augmenting the China command. Should an increased number of vessels be required at a given point, it would be easy to meet the emergency temporarily by withdrawing the vessels usually employed in the Straits, or the Japanese divisions.

ARMY OF THE TENNESSEE.

A SPEECH BY GEN. GRANT. THE IMPORTANCE OF NON-SECTABIAN SCHOOLS. THE PRESIDENT'S REMARKS WARMLY APPLAUDED-

ADDRESSES BY GOV. PLETCHER, GEN. SHERMAN, AND OTHERS-THE GENERAL PROCEEDINGS OF

DES MOINES, Iowa, Sept. 30 .- At the evening ssion of the Army of the Tennessee yesterday the Opera House was crowded. An address of welcome was delivered by the Hon, C. C. Cole. Gov. Fletcher delivered the annual oration. He reviewed the history of the Army of the Tennessee and of the Society, and dwelt on the part taken by the Iowa soldiers in the war. He referred in kindly terms to the Confederates who opposed them, and expressed the hope that the people of all sections of the country will conduct themselves toward each other like men who

have a common country. Eulogies were pronounced on members of the Society who have died since the last meeting. Among the dead are Gens, Morgan Smith, Frank Blair, and Chester Harding.

President Grant being called for, came forward

and said:

Comrades: It always affords me much gratification to meet my comrades in arms of ten and fourteen years ago, and to tell over again from memory the trials and hardships of those days, of hardships imposed for the preservation and perpetuation of our free institutions. We believed then, and we believe now, that we have a government worth fighting for, and if need be dying for. How many of our comrades paid the latter price for our preserved Union! Let their heroism and sacrifice be ever green in our memory. Let not the result of their sacrifices be destroyed. The Union and the free institutions for which they died, should be held more dear for their sacrifices. We will not deny to any of those who fought against us any privilege under the Government which we claim for curselves. On the contrary, we welcome all such who come forward in good faith to help build up the waste piaces, and to perpetuate our institutions against all enemies, as brothers in full interest with us in a common heritage; but we are not prepared to apologize for the part we took in the war.

It is to be hoped that like trials will never again befall our country. In this sentiment no class of people can more heartily join than the soldier who

the war.

It is to be hoped that like trials will never again befall our country. In this sentiment no class of people can more heartily join than the soldier who submitted to the dangers, trials, and hardships of the camp and the battle-field, on whichever side he fought. No class of people are more interested in guarding against a recurrence of those days. Let us then begin by guarding against every enemy threatening the prosperity of free republican institutions. I do not bring into this assemblage politics, certainly not partisan politics, but it is a fair subject for the soldiers, in their deliberations, to consider what may be necessary to secure the prize for which they battled. In a Republic like ours, where the citizen is the sovereign, and the official the servant; where no power is exercised, except by the will of the people, it is important that the sovereign, the people, should foster intelligence, that intelligence which is to preserve us as a free nation. If we are to have another contest in the near future of our national existence, I predict that the dividing line will not be Mason and Dixon's; but between patriotism and intelligence on the one side, and superstition, ambition, and ignorance on the other.

Now, the centennial year of our national existence, I believe, is a good time to begin the work of strengthening the foundations of the structure comanced by our patriotic forefathers 100 years ago at Lexington. Let us all labor to aid ail needitul guarantees for the security of free thought, free speech, a free press, pure morals, unfettered religious sentiments, and of equal rights and privileges to all men irrespective of nationality, color, or religion. Encourage free schools, and resolve that net one dollar, appropriated for their support, shall be appropriated to the support institutions of learning, other than those sufficient to afford to every child growing up in the land the opportunity of a good common school education, unmixed with sectarian.

common school education, unmixed with sectarian, pagan, or atheistical dogmas. Leave the matter of religion to the family altar, the church, and the private school, supported entirely by private contributions. Keep the Church and the State forever separate. With these safeguards, I believe the battles which created the Array of the Tennessee will not have been fought in vain.

The President's speech was greeted with applause,

which was repeated again and again. After speeches by Secretary Belknap and Gens. Jeff. C. Davis, Force, Baine, Meyers, and others, army songs were sung. Gen. Sherman closed the speaking for the night with brief humorous remarks, in which he said he wished all the speeches made here to-night could be printed in full and scattered broadcast through the South, to show the people there how the ex-soldiers of the North all feel toward them.

THE CROW BUTTE COUNCIL OVER.

NOTHING ACCOMPLISHED.

THE INDIANS THINK A SALE IS EFFECTED FOR \$70,000,000-BUT IT IS N'T-A PROPOSITION TO LEASE LEFT WITH THEM FOR DISCUSSION. BY TELEGRAPH TO THE TRIBUNE

RED CLOUD AGENCY, Sept. 29, via FORT LABAMIE, W. T., Sept. 30 .- After the council yesterday, when enormous prices were put on the Black Hills by the Sioux, the Commissioners became desirous not to submit any proposition for the purchase of the Hills. At to-day's conneil a protocol, drawn by Messrs. Ashby and Lawrence, was presented to the chiefs therefore, which, after reciting a desire for peace, offered to buy the right to mine in the Black Hills for \$400,000 per annum, this right to terminate at any time on a year's notice by the United States. It was next proposed to purchase the Big Horn country for \$50,000, paid annually for ten years, the money to be expended in food and stock. Furthermore, it was proposed that if the protocol be accepted, \$50,000 be expended in presents, to be distributed among the bands. This protocol was left with the Indians to discuss this Winter. They think, how-

ever, that a sale is made for \$70,000,000. Lone Hora of the Minueconjous disturbed the council by riding up and delivering from his saddle a violent speech against the Brules and Ogalallas for trying to sell his country, the Black Hills. Little Wound and Spotted Tail spoke, dwelling principally on their wants about agents.

The council closed with "Hows" and handshakes. The Commissioners, except Messrs, Ashby, Lawrence, and Swalm, leave on Thursday afternoon for Fort Laramie. The Crow Butte Council for the sale of the Black Hills is ended, and nothing accom-

WORK RESUMED AT A NAVY-YARD. Boston, Sept. 30.-Between 150 and 200 workmen, removed during the month of September, re sumed work at the Charlestown Navy-Yard to-day.

SERIOUS ILLNESS OF EX-GOV. OLDEN. TRENTON, N. J., Sept. 30 .- Ex-Gov. Olden was attacked by paralysis yesterday. He is able to see his friends, but one side is entirely paralyzed. The ex-Governor is nearly 80 years of age, and it is feared he will hardly be able to survive this attack.

FATAL ACCIDENT WHILE HUSTING. POTCHKEERSIE, Sept. 30 .- Henry B. Alden of Fishkill, son of H. A. Alden, President of the New-York Rubber Company, while hunting in the woods at that place this morning was shot in the knee by the accidental discharge of a gun in the hands of his companion. Geo. D. Kittridge. Although the limb was amputated soon after the occurrence, Alden died at 4 o'clock.

COAL FRAUDS AT BUFFALO.

A WESTERN JOHN KELLY ARRESTED. A CHARGE OF BRIBERY AND PERJURY. BAIL REQUIEED IN \$15,000 TO APPEAR FROM DAY

TO DAY-A SKETCH OF THE INDICTMENTS, MR. KELLY'S HISTORY, AND MODES OF DOING OFFI-CIAL BUSINESS. BY TELEGRAPH TO THE TRIBUNE.

BUFFALO, N. Y., Sept. 30,—Soon after the opening of the Criminal Term of the Superior Court this morning John Kelly, Superintendent of Canal Repairs for this section of the Erie Canal, was arraigned before Judge Clinton upon two indictments found against him on the 28th inst. The first indictment charges Mr. Kelly with perjury and the second with bribery. The indictment for perjury in substance

bribery. The indictment for perjury in substance is as follows:

The jurors present that since the appointment of Mr. Kelly as Superintendent, on March 11, 1874, and while he was Superintendent, namely, Dec. 14, 1874, he wick-edly and feloniously attempted to procure the certificate of James Jackson, Jr., then Canal Commissioner of the State, having charge of the part of the canal of which Kelly was Superintendent, to a faise abstract and account of Kelly's expenditures for repairs upon the canal for the sixty-one days between between Oct. 1 and Nov. 30, 1874; and that by willful and fraudulent means, he did actually procure such certificate. The fraud consisted in his procuring the auditing of this abstract of an account of Ellis Webster & Son, for coal sold to Kelly for the Canal Department. The value of the coal was stated at 8672 75, when in fact he paid only \$408 75, all of which was well known to Kelly at the time of making the abstract. It is charged that at the time of making the algebraic, it became a material question whether John Kelly as Superintendent, had between Oct. 1, 1874, and Dec. 30, 1874, paid Ellis Webster & Sonfor each the sum of \$672 75, when the time for the benefit of the State alone.

The indictment urrefer charges that John Kelly was required to make this affidavit by flames Jackson, ir., Canal Commissioner, in order to anthorize the Commissioner to make his certificate upon the account, to authorize Kelly to present the abstract to the Auditor, and procure its allowance. It is also presented that John Kelly did, upon his oath, falsely, corrupily, and releminshed, for the benefit of the State alone, when is truth he did not at that time, or at any office time, pay Ellis Webster & Son. \$672 75 for coal furnished the State as mentioned, as the well knew at the time.

THE CHARGE OF BRIBLERY.

The indictment for bribery, after the preliminary statement in regard to the official position of Kelly,

States as follows:

March 12, 1874, at the City of Buffalo. John Kelly did willfully and corruptly accept from Ell's Weister & Son a premise that it the said John Kelly, as such Superintendent, would purchase from them all the coal required by the State at the City of Buffalo, they would give to Kelly, the sum of 50 cents for every ton of coal which he as such Superintendent should purchase from them for the State. After entering into this fraudulent agreement Kelly bought of Webster & Son 292 tons of coal, after the delivery of which Kelly received of Webster & Son a bill bearing date Dec. 22, 1874, the value of which was \$146 25, as a bribe and pecuniary reward for having made the agreement before mentioned. TO APPEAR DAILY IN COURT.

Mr. Kelly states that he has retained Sherman S. Rogers of Bowen & Rogers of this city as counsel, but owing to the absence of Mr. Rogers this morning, Senator A. P. Laning appeared on his behalf. To both of the charges he entered a plea of "not guilty." The bail for his appearance from day to day was fixed at \$10,000 on the perjury indictment, and \$5,000 on the bribery charge. George and Thomas Farthing, distillers, jointly became his

In conversation, Mr. Kelly denies the charges in every particular. He says that if he received any coal at his own house from Mr. Welch he expected to pay for it, and was only waiting for the latter to present his bill; that it did not appear to him as strange that no bill had been presented sooner, as he was buying coal of Welch frequently, and he supposed the bill would appear in due time. He also denies receiving \$744 or any other sum as commission. He claims that while his section was extended, at the time it came under his charge, from 21 to 28 miles, the expense of keeping it in repair was nearly \$10,000 less during the previous year than it was under the supervision of his pre-lecessor for the same

WHAT PROPER SAY OF MR. KELLY. Mr. Kelly is an old citizen of this county. In speaking of his past, a citizen recently stated that for several years past Mr. Kelly has been a very succeasful politician. For many years he kept a butcher stall where he made a comfortable living, and was years ago he began to interest himself in politics. was elected Alderman by the Demoeratic party, where he served the city four or five years. During this time he was largely engaged in real estate transactions and accumulated [money rapidly. When Gov. Tilden was elected, Mr. Kelly's party insisted that he must take the office of Canal Superintendent. The idea seemed absurd to him, he said, as he could not see what he wanted with an office which would pay him only \$1,500 per annum. At first he refused to have anything to do with it. Nevertheless, when the political aspect of the case was considered, he finally consented, and was accordingly appointed. Although an illiterate man, he is genial and frank with every one, and a person well calculated to carry political influence among a certain class.

THE OPPORTUNITY FOR FRAUD, In his testimony before the Governor's Commission, Mr. Kelly stated that he kept no books nor accounts of any kind, except the check roll, which is signed by the foreman of each gang of laborers, and such vouchers as he might receive in other cases. His disbursements last year ranged between \$20,000 and \$25,000 in payment for labor, materials, etc. Chapter 52 of the Laws of 1853 provides that it shall be the duty of each Canal Superintendent, on or before the 15th day of each month, either to publish in some newspaper printed in the counties through which any part of his section of the canal passes, or file in the office of the County Clerk in the county in which he shall reside, an abstract of his

official disbursements. This abstract is required to state the name and residence of the persons to whom he has paid money and the amount paid to each, which abstract shall be verified by the oath of such Superintendent. The abstract shall be published, instead of filed, except when the Superintendent shall be unable to procure its publication for \$1,500. The section beginning at this end of the canal is known as Section 12, and extends from Bufialo to Sulphur Spring guard lock, a distance of 28 miles. The abstracts for this section are filed with the County Clerk, but the certificates attached do not state that it is an abstract of his official disbursements during the time specified. The history of the canal frauds demonstrates that vouchers can be taken without the necessity of disbursing their full face value.

The following is a copy of the affidavit accompanying the abstract for the month of August, which is similar to those on file for the other months of the current year :

State of New Fork, Eric County, 88.: John Kelly, Superintendent of Canal Repairs, and having charge of the line of canal specified in the above abstract, being duly sworn, doth depose and say that the foregoing abstract, amounting to the sum of \$2,707.71, is a true abstract of all the vouchers taken by aim as such Superintendent for the month of August, 1875.

JOHN KELLY, Superintendent, &c.

It is not charged, kowever, that Mr. Kelly has certainly made any wrongful use of the peculiar wording of the affidavit; but it is claimed that he has had ample opportunity to do so. It is generally understood that he is to-day worth at least \$100,000.

THE RING SOMEWHAT SURPRISED. WEBSTER INDICTED CONTRARY TO HIS EXPECTATIONS

-THEY ALL FIND THE CASE A SERIOUS ONE. IBY TELEGRAPH TO THE TRIBUNE.)

BUFFALO, N. Y., Sept. 30 .- The evidence of Kelly's and Welch's guilt is found in the sworn statement of Ellis Webster, the coal merchant, made recently before the Governor's Commission. Webster explained to the Commission in detail the transactions upon which the indictments have been found. While he was dishonest enough to carry on a fraudulent busi-

ness with the Canal Superintendent, for some reason he kept, as he claims, a correct book account of the transaction, by which means it is possible now to state exact dates and accounts. He has manifested a great deal of nervous anxiety over the matter ever since he was before the Commission; but he has claimed to believe that no indictment would be found against him, as it would be necessary to retain him as a witness for the people against the other offenders of the law. He has openly said that if he

was indicted they could not obtain his testimony.

The State is now in possession of his books. Neither Kelly, Welch, nor Webster had any idea that in case indictments should be found against them the charges would be as serious as they proved to be, or that bail required would be so large. The most they thought of was a charge of conspiracy, the bail for which in the case of Lord and others was fixed at \$5,000. No one has, apparently, had any difficulty however in securing bail, as in all cases the bondsmen have accompanied them into court at the time of arraignment. Mr. Welch declines to say anything more than that he is not guilty. He is a Republican who has always lived in this county, and, with the exception of the one term as Canal Superintendent, has never had any public office. He is at present engaged in the lumber trade, but is not thought by his friends to be worth over \$10,000 or \$12,000. It was with his clerk, Horace Caryl, that Webster claims he transacted a considerable portion of his fraudulent business.

THE CHARGES AGAINST D. C. WELCH. PERJURY COMMITTED IN SIGNING AN AFFIDAVIT THAT WEBSTER'S BILLS WERE CORRECT-CHEAP

COAL. [FROM A SPECIAL CORRESPONDENT OF THE TRIBUNE.] Buffalo, Sept. 30 .- Among the persons in-

dicted in this city for canal frauds yesterday, was Mr. D. C. Weick. The indictment charges bim with having committed perjuly in swearing to the truth of abstracts of bills presented by Ellis Webster for work done on the Erie Canal near this city. He made the following affi-

dayit:

State of New York, County of Eric.—D. Clinton Welch, Superintendent of Canul Repairs, having charge of the line of canals specified in the above abstract, doth solvening wear that the foregoing is a true abstract of all the venechers taken by him as such Superintendent for the oll days ending on the 39th day of September, 1873, and doth further swear that the money specified in the several receipts of which the above is an abstract \$15, 534 46 has been actually paid as specified in said receipts in easl or by check of the Third National Eank, and that the purchases and the labor specified in the said receipts were for cash and not on credit or time; and further that sli the receipts not especified in the said receipts were for cash and not on credit or time; and further that sli the receipts not especified in the said receipts were for cash and not on credit or time; and purched that the purchases and the labor specified in the said receipts most expectably exempted were each and every one of them fitted up as they how appear before they were signed, and he doth further swear that according to the best of his knowledge and belief all the labor has been performed, services rendered, and material furnished for the benefit of the State and the State alone, and at as fair and reasonable prices as the same could be procured; and further swears that all fines, penalties and forfeitures collected, and the sales of public property made during the period aforessid on the line of the causal under his charge are according to the best of his knowledge and belief correctly entered on his abstract.

Subscribed and sworn before me this 13th day of October, 1873.

C. N. Horkins, Notary Public and Eric County Com-C. N. HOPKINS, Notary Public and Eric County Com-

The indictment further charges them with causing the abstract and account as verified to be presented to John D. Fay, Canal Commissioner, for his certificate which

was then and there procured; and also that the abstract was transmitted to the Auditor of the Canal Department for andit and allowance, and that by means of the affi-dayit the allowance was procured, and the accused was allowed for his expenditures as Superintendent the false and fraudulent sum paid Ellis Webster for coal, namely, the sum of \$707-50, instead of the true sum of \$651-45. The next clause of the indictment charges that Mr.

and made oath of the truth of the matters referred to in the adidavit and verifications. The indictment also charges that Mr. Hopkins was a Notary Public of Erle County and had free power to administer the oath. The next clause of the indistance charges that upon the mak-ing of this affidavit it became and was a material ques-Aug. 1 and Sept. 30, 1873, paid Ellis Webster for coal furnished to and used by him as Superintendent of the repairs of the canal, the sum of \$707 50, and whether the coal had been furnished for the benefit of the State and the State alone. The indictment next charges that, in truth and fact, Ellis Webster did not, between Aug. 1 and Sept. 30, 1873, fur-nish for the benefit of the State, and the State alone, coal to the amount of \$707 50; and that he did not furnish this coal to Welch as superintendent, for the benefit generally regarded as an honest man. Five or six of the State. The indictment concludes as follows: " And so the jurers aforesaid, upon their oaths aforesaid, do say that D. Clinton Welch, in the manner and form aforesaid, did commit willful and corrupt perjury against the statute in such case made and provided, and against the people of the State of New-York and their dignity."

THE LIBERALS IN LOUISIANA.

A PROPOSAL TO TAKE THEM IN. MR, PACKARD SUGGESTS JOINING FORCES AGAINST

THE DEMOCRATS-A LIBERAL LEADER'S REPLY. NEW-ORLEANS, Sept. 30 .- A political correspondence will appear in to-morrow's papers between Chairman Packard of the Republican State Committee and A. H. Leonard, editor of The Shreveport Times, a Greeley Liberal leader. Mr. Packard remarks:

Greeley Liberal leader. Mr. Packard remarks:

It is much desired that the liberal white element, properly outside of the Democracy, should consolidate with the colored voters. That liberal element will then be reenforced in numbers, so as to be able to maintain a party ascendency over the Democrats, and the colored men will be reenforced with intelligence sufficient to insure a wise and honest administration of parish and State affairs devolving upon them as a majority. But the fear of ostracism from the people has prevented such capable men as were, or would have been tendered station from accepting nominations, while Republicans when electing such as they were best able to command as candidates were denounced for not electing better men. * * * Business and agricultural interests demand the abandonment of the color line in politics, and the consolidation of the anti-Democratic vote, white and black, to revive confidence and good feeling. Then indeed will there be peace and prosperity in Louisiana.

Mr. Leonard, replying, says:

Mr. Leenard, replying, says:

If the Republican party intends to carry into effect the principles as announced in the declarations of its leaders, those leaders will, at the next session of the Assembly, atd in carrying through, and thus secure the passage of, all measures looking to reform. Peace and good government can be established without difficulty, if leading men will only rise superior to mere partisan views. I will cooperate with any party, and with a union, honestly endeavoring to secure that result. I consider such a letter as that which I have had the pleasure of receiving from you, a high compliment; and, while we may not be able to agree on all points, I shall certainly not regret our efforts to cooperate, if possible, and am persuaded some good will result therefrom. Mr. Leonard, replying, says:

TELEGRAPH NOTES.

WILKESBARRE, Penn., Sept. 30.—The Athletics of biladelphia defeated the Wilkesbarre Club at base ball here RONDOUT, N. Y., Sept. 30.—The Daily Freeman of its place will change from a morning to an evening paper on

Monday next.

PROVIDENCE, Sept. 30.—In a game of base ball laised here to day the Bostons beat the Dexter Juniors of Providence by a score of 9 to 2.

MONTPELIER, Vt., Sept. 30. — Miles, the Barre bank burglar, was arraigned today, and pleaded not guilty. The case was postponed until the March term, and the bail ised at \$20,000. ised at \$20,000.

PLYMOUTH, N. H., Sept. 30.—John Crinimans, a roung man employed in W. R. Park's lumber mill at Warren summit, N. H., on attempting to oil the machinery, was caught ind fearfully mangled, both arms being torn from their socktand his neek and back broken. He died instantly.

PROVIDENCE, Sept. 30.—Lewis H. Prescott, a car-penter, shot himself in the head to-day in the North burial ground, near the lot where his children are buried. He was taken to the Rhode Island Hospital, where the wound was pro-nounced probably fatal. Marital difficulties are the supposed cause for the act.

BOSTON, Sept. 30.—The trial of the Jefferson Berden mutineers was concluded in the United States Circuit Court to day. Judge Clifford delivered we charge to the jury, who had not served upon a verdict up to be dearge to the jury who had not served upon a verdict up to be dearge to the jury for court adjourned. The general impress that the jury different the question whether the crimals that the jury different productions are the supplied to the product of the product

CONSHOROCKEN, Penn., Sept. 30 at the Plymouth fornace, a scaffe of ground, James Blake, John Lean at the Plymouth fornace, a scafs ground. James Blake, John Leon-place, and John Robinson, John S-of Norristown fell with it. All r of Hodge and Robinson being of

PHILADELPHIA, Sept. 5.0. A sembling in ts symptoms the epizootic has made its appropriate in a mild orm in this city. The horses in the statiles of several city allway companies are affected by the disease. It is not hought, however, that there will be any interruption to travel and therefore.

POTTSVILLE, Penn., Sept. 30 .- By an explosion of

THE RAILROAD QUESTION.

AN ADDRESS BY CHARLES FRANCIS ADAMS, JR.

FREE THADE APPLIED TO RAILROADS-ATTEMPTS OF LEGISLATURES AT COERCION-SUCCESS OF AN APPEAL TO PUBLIC OPINION-PRACTICAL LEGIS-

ОSHKOSH, Wis., Sept. 30.—The Hon. Charles Francis Adams, jr., delivered an address at the Northern Wisconsin Fair, held in this city to-day, entitled : Force Bills or Public Opinion; Which will Quickest Solve the Railroad Question f" The following is the address:

I will begin by asserting a fact-some may at first feel disposed to deny it, but, I think, a calmer retrespect will yield assent to it. Of all the wonderful phenomena in the growth of this wonderful railroad system there is not one so well calculated to excite our special admiration as the ease, the absence of friction, so to speak, with which taking it altogether, it has adjusted itself to existing political and social organizations. In this respect compare it with more momentous and noisy episodes in history. The French Revolution, for instance, was certainly a very considerable civil convulsion, and, after shaking society to its foundations, left behind it a world forever different from that which preceded it; yet in spite of its fury and tumult how small and insignificant seem even the political results brought about by that Revolution compared with those already wrought in the quiet progress of the railroad era. And still, with this engine of all, pervading change working so quietly and so imperceptibly before our unseeing eyes, we lash ourselves into a rage because it does not accomplish everything without a ripple on the surface of the water. The truth is that it whole; and great movements go so quietly along that we are hardly conscious of them as we chafe and fret over their petty incidents. Now, as respects the railroad system; a great deal has been very eloquently said about it; at first in language of unalloyed admiration; and more recently in a tone of hearty invective; but do you here in Wisconsin realize that it was the railroad system that

made you possible ! How many has the system brought here, to this region which in the Rainhill year contributed from its whole broad expanse not one solitary inhabitant to swell the figures of the census? The last census tells the whole story briefly enough-30,000 in 1840, 300,000 in 1850nearly four times that number to-day, and four times the population of Massachusetts when Burke pleaded the cause of the colonists. Here then is one side of the picture-the agreeable side-that upon which we all, and you of the West especially, love to dwell. Is it, however, reasonable to suppose that the picture has but one side, or that that side is all light and no shadow! The rose is proverbial for its thorns as well as for its sweetness and ior, and we may be very sure that a hidden bitter must soon or late reveal itself beneath all these railread sweets. Well, it has developed itself, developed itself with much commotion East and West, and now let us fairly and dispassionately consider what it is.

TOO MANY BAILROADS AND FARMS. So far as the West especially is concerned, I do not think that the cause of the trouble is very far to seek; indeed, in my opinion, it lies so near the surface that I almost hesitate to state it, for where every one is profound it requires some little courage to profess to be a doctor and neither to use learned words nor to suggest potent remedies. Is not the distinctively Western trouble after all just this, that, as is our National wont, we have been going ahead a little too fast—subduing the wilder-ness too fast, peopling the waste places too fast, building railroads too fast? From my point of view I that consequently we are now witnessing—as respects this Western transportation question—a spectacle of not an altercation, namely, between two partners in a venture which for the moment scarcely promises well. One partner has agreed to lay out and improve farms, the other to build reads to them; accordingly the first has laid out a great many more farms than are immediately required, and the other has built sitogether too many railroads to them. The natural consequence ensues in the appearance of a great many impatient land holders and quite as many disappointed bendholders. The landholder indignantly asserts that the bondholder that its produce is worth; and the bondholder, while stoutly denying the accusation, adds that even upon those terms the business does n't pay. So there it is, and there I fancy it must remain until there is less competition among the farmers and more business for the railroads. The worst of it is that just at present both parties seem to be telling the truth.

There is, however, another cause of trouble in connection with the railroad system far more general in its nature Porhana owing to the neculiar industries of the kets and sources of supply, this difficulty, also, has made itself felt more distinctly here than elsewhere; I am inclined to think it has; but it is none the less a difficulty common to Massachusetts, with Wisconsin, and destined,

as I believe, to be felt more in the future than it is now. When they came into existence forty years ago, rail roads brought with them some queer results as affecting certain theories on which we had based both our government and political economy. We here in America about that time thought that we had things beautifully arranged; we were never tired of saying that the old world had hitherto been governed a great deal too much, nd that the model republic had no business to concern itself in any way with industrial enterprises; that these, of whatsover name or nature they might be, would regulate themselves if only left alone to do so under the unim peded action of the law of competition or supply and demand. Of course, when the existence of railroads became an established fact, they were classed at once with all other established industrial facts under the new governmental and economical dispensation. Accept them, it was said, and leave them alone. Do you not see how bread factories, and shoe factories, and cotton factories regulate themselves if the State only crics " Hands off t" If you have but faith it will be the same with railroads. It was the teaching of Adam Smith carried to its logical

conclusions and applied universally. FREE TRADE AND RAILROADS.

It was also free trade run mad. Now there are few things better and wiser than free trade in its place. Its place, too, is a very large one-as large, indeed, as the broad limits within which the laws of supply and demand, of competition, rule supreme. The time will come, I do not doubt, when the Custom-houses will be demolished on our frontiers, as they already are between our States, and free trade will be the rule in every field of in dustry in which all men, or even a fair proportion of men, can enter and compete with each other. nately the railroad system does not belong in this class; it is in its nature a close field. At the very commence ment a few clear-headed men saw this difficulty, and at once declared that when, as in this case, combination was possible, competition was impossible, and competition is free trade; they are but different names for one and the same thing. Free trade means nothing but a clear field industrially, with no favors, and the liberty to all to ask what you please and get what you can. Now when the principles of free trade were first enunciated by Adam Smith, just a century ago, it should be remembered that there was scarcely any interest in existence to which they did not apply. Indeed, how many such are there now! Not many. There is the post-office, the supply of water and of gas in our great cities, the telegraph, and finally transportation by rail—as respects all these a gradual experience has tanght us that they are in their nature matters of monopoly; that to be done most economically they must be done as a whole, and that each new competitor, if he does not deteriorate quality, does increase cost; in other words, the State must either sacrifice its abstract principles and perform these functions for itself, or it mast surrender them into private hands, and make the best terms it can be them into private hands, and make the best terms it can be them the principle was by no means understood 30 or even 20 years ago, and even so prominent and clear-headed a public a man as Sir Robert Peel was preaching in Parlament the attractively simple doctrine of free trade in railroads. Small wonder then, that under the impulse of our governmental theories, we in this country, and especially you in the West, gave to this idea its widest and most logical expression. The cry was, there could not be enough, mucu less too many railroads, and their competition one with another would regulate their own profits and secure the community from every extortion. On this principle railroad construction was invited, nay more, it was stimulated by bounties and land grants and local contributions, until it grew into a destructive mania. The principle was wrong; it was one sure to lead to unexpected and annoying results: it could not but culminate in finan possible, competition was impossible, and competition is free trade; they are but different names for one and the es Radehffe ies, those